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ADMINISTRATIVE AND FINANCIAL MATTERS

INTERIM FINANCIAL PERFORMANCE FOR THE BIENNIUM 2002–2003

Income and budget performance as at 30 June 2002

Note by the Executive Secretary*

Summary

This document reflects budget performance for the first quarter of the biennium 2002–2003 of the trust funds administered by the Convention secretariat. Its aim is to inform Parties of the income received, expenditures made and results achieved by 30 June 2002.

About half of the indicative contributions to the core budget for 2002 had been received and expenditures were maintained below 50 per cent of the approved budget for the year. However, voluntary contributions to the trust funds for participation and for supplementary activities (including the prompt start of the clean development mechanism) were relatively low. Less than 10 per cent of the total amount estimated for the biennium had been received by the end of June 2002.

The Subsidiary Body for Implementation is invited to take note of the information presented and decide on the actions it may deem necessary to be included in draft decisions on administrative and financial matters to be recommended for adoption by the Conference of the Parties at its eighth session.

* Submission of this document was delayed because internal consultations took more tome than had been anticipated.

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I. INTRODUCTION

A. Mandate

1. By its decision 38/CP.7,[1] the Conference of the Parties (COP) approved the programme budget for the biennium 2002–2003, and requested the Executive Secretary to report to the COP at its eighth session on income and budget performance and to propose any adjustments that might be needed in the Convention budget.

2. Rule 10 (e) of the draft rules of procedure being applied (FCCC/CP/1996/2) stipulates that the provisional agenda for each ordinary session of the Conference of the Parties shall include, as appropriate, the proposed budget as well as all questions pertaining to the accounts and financial arrangements.

3. It is the practice of the Subsidiary Body for Implementation (SBI) to consider these matters and prepare action for the Conference of the Parties as appropriate.

B. Scope of the note

4. This document responds to the requests noted above, as follows:

(a) Chapter II contains information on financial performance during the first six months of the biennium 2002–2003 (as at 30 June 2002) for all four of the trust funds administered by the secretariat, namely, the Trust Fund for the Core Budget of UNFCCC, the Trust Fund for Participation in the UNFCCC Process, the Trust Fund for Supplementary Activities and the Trust Fund for the Special Annual Contribution from the Government of Germany (Bonn Fund);

(b) Chapter III summarizes the main functions performed and the results achieved by each programme of the secretariat during the reporting period;

(c) Chapter IV provides information on human resources, including some statistics on approved posts and filled posts, and information on the hiring of consultants;

It should be read in conjunction with document FCCC/SBI/2002/INF.13 on the status of contributions as at 10 October 2002.

C. Possible action by the SBI and the COP

5. The SBI may wish to take note of the information presented and decide on actions it may deem necessary to be included in the draft decisions on administrative and financial matters to be recommended for adoption by the COP at its eighth session.

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[1] For the full text of decision 38/CP.7 adopted by the Conference of the Parties at its seventh session, see document FCCC/CP/2001/13/Add.4.

II. INCOME AND EXPENDITURE REPORT

A. Trust Fund for the Core Budget of UNFCCC

1. Budget

6. The Conference of the Parties at its seventh session approved a total budget of US$ 32.8 million for 2002–2003 (decision 38/CP.7), of which $16.0 million is for 2002 and $16.8 million for 2003. An additional contingency budget amounting to $5,661,800 (including administrative costs) for conference services was also approved for the biennium in the event that the United Nations General Assembly decides not to continue the use of the regular budget of the United Nations to cover conference servicing costs of UNFCCC.[2] Table 1 reflects the budget summary as approved by the COP.

Table 1. Budget for 2002–2003
(United States dollars)[a]

Budget	2002	2003	2002–2003
Programme budget			
Direct cost for programme activities	14 043 300	14 781 100	28 824 400
Programme support costs	1 825 600	1 921 600	3 747 200
Working capital reserve	196 300	69 200	265 500
Subtotal programme budget	**16 065 200**	**16 771 900**	**32 837 100**
Contingency			
Direct costs for conference servicing	2 313 900	2 355 200	4 669 100
Programme support costs	300 800	306 200	607 000
Contingencies	78 400	79 800	158 200
Working capital reserve	223 500	4 000	227 500
Subtotal conference services contingency	**2 916 600**	**2 745 200**	**5 661 800**
Total approved budget	**18 981 800**	**19 517 100**	**38 498 900**

[a] Includes programme support costs and working capital reserve.

2. Income

7. The approved budget and the additional expenditures are expected to be funded from three sources: (a) the indicative contributions by all Parties to the Convention; (b) unspent balances from previous financial periods; and (c) the annual contribution of the host Government. Table 2 shows a breakdown of the expected income.

[2] The General Assembly is expected to make a decision on this issue at the end of 2002.

Table 2. Income for 2002–2003
(United States dollars)[a]

Expected income	2002	2003	2002–2003
Contribution from the host Government[b]	657 900	657 900	1 315 800
Unspent balance of contributions from previous financial periods (carry-over)	2 000 000	3 000 000	5 000 000
Indicative contributions from all Parties (including contingency)	16 323 900	15 859 200	32 183 100
Total expected income	**18 981 800**	**19 517 100**	**38 498 900**

[a] Includes programme support costs and working capital reserve.
[b] Calculated at the rate of US$ 1 = DM 2.28, prevailing at the time of the budget preparation.

8. As at 30 June 2002, $11.7 million had been received as contributions to the core budget. This amount includes $2.7 million for prior years and $0.85 million for future years received in advance. The remaining amount of $8.15 million, which refers to 2002, is 50 per cent of the total indicative contributions for the year.

9. The number of Parties which have paid their indicative contributions to the core budget in full for this year stands at 77, or 41 per cent of the Parties to the Convention. Five out of the top 10 or 10 out of the top 20 contributions for 2002 had not been received by 30 June 2002.[3] Of the 186 Parties to the Convention, 109 had contributions outstanding for 2002 and of these, 68 Parties had contributions outstanding for prior years. Twenty-six Parties have never made contributions to the core budget since its inception in 1996 (see table 3).

Table 3. Outstanding contributions by year
(United States dollars)

Outstanding since	Number of years	Number of Parties	Outstanding amount
1996	7	26	29 253
1997	6	30	47 344
1998	5	37	41 838
1999	4	43	42 388
2000	3	49	71 880
2001	2	68	536 903
2002	1	109	7 876 822
Total			**8 646 428**

[3] Contributions by the top 10 contributors make up 76 per cent of the total indicative contributions and those of the top 20, 89 per cent.

(a) Expenditures by programme

10. Table 4 (a) provides a comparison of budget appropriation and expenditures by programme. Considering that this report covers financial performance for the first quarter of the biennium, the ideal expenditure as at 30 June 2002 should not exceed 50 per cent of the approved budget for 2002. So far, all of the programmes have contained their expenditure levels within the approved budget and available resources. The comparatively lower expenditures for the MIS and AS programmes are partly due to the fact that yearly contributions to the Intergovernmental Panel on Climate Change (IPCC) and the common premises management were still pending by 30 June.[4]

Table 4 (a). Expenditures by programme, as at 30 June 2002
(United States dollars)

Programme	Approved budget for 2002	Expenditures as at 30 June 2002	Expenditure as a percentage of budget
Executive Direction and Management (EDM)	1 665 817	553 093	33.2
Intergovernmental and Conference Affairs (ICA)	693 472	282 970	40.8
Conference Affairs Service (CAS)	1 066 421	514 165	48.2
Information Service (IS)	1 744 169	771 433	48.2
Administrative Services (AS)	1 541 620	456 931	29.6
Methods, Inventories and Science (MIS)	2 746 902	780 568	28.4
Sustainable Development (SD)	1 205 395	416 927	34.6
Cooperative Mechanisms (COOP)	858 203	280 080	32.6
Implementation (IMP)	2 521 253	1 087 797	43.2
Total direct expenditures [a]	**14 043 252**	**5 143 964**	**36.6**

[a] The total amount is different from that shown in table 1 as this table does not include the conference services contingency, the programme support costs and the working capital reserve.

(b) Expenditures by object of expenditure

11. Table 4 (b) indicates expenditures by object of expenditure, grouped into six items. Staff costs include salaries of staff members appointed on approved posts, salaries of short-term staff, temporary assistance and overtime. Other external expertise, both individual and institutional, is included under "consultants". Travel of staff on official missions is shown separately from that of experts to workshops and informal consultations. General operating expenses include payments to suppliers of various goods

[4] The annual contribution of $350,000 to IPCC is budgeted under MIS and the estimated budget of $500,000 for the administration of common premises is reflected under the secretariat-wide costs monitored by AS.

and services, while "grants and contributions" constitute payments to United Nations organizations and governmental institutions that provide logistic and administrative services to the secretariat at the headquarters in Bonn and during workshops at various locations outside Germany, as well as the annual contribution to the IPCC.

12. With the exception of expenditure on consultants, all expenditures are below the approved budget and within the ideal maximum expenditure of 50 per cent. Over-expenditure on consultants is covered from the unspent resources initially budgeted to cover staff costs. On the other hand, no expenditures were recorded under grants and contributions as contributions to IPCC and the common premises management were not yet transferred by 30 June (see footnote 4).

Table 4 (b). Expenditures by object of expenditure, as at 30 June 2002
(United States dollars)

Object of expenditure	Budgeted amount for 2002	Expenditures as at 30 June 2002	Expenditure as a percentage of budget	Percentage of expenditures by object
Staff costs	9 730 341	3 634 349	37.4	70.7
Consultants	706 000	454 889	64.4	8.8
Experts	626 880	103 904	16.6	2.0
Travel of staff	817 191	312 909	38.3	6.1
General operating expenses	1 312 840	637 913	48.6	12.4
Grants and contributions	850 000	0	0	0
Total direct expenditures	**14 043 252**	**5 143 964**	**36.6**	**100.0**

B. Trust Fund for Participation in the UNFCCC Process

13. Table 5 provides detailed information on income and expenditures under the Trust Fund for Participation in the UNFCCC Process. As at 30 June 2002, contributions received for this biennium amounted to $683,347, and expenditures amounted to $568,127. The excess of income over expenditures, including carry-over balance from the previous financial periods and accrued interest, amounted to $757,137. After blocking the required amount (10 per cent of actual expenditures in 2002) for working capital reserve, this amount, together with any new contributions, will be used to cover participation of eligible Parties at COP 8.

14. The secretariat continues to apply its current policy of providing financial support to eligible Parties. Parties are eligible for funding if their per capita gross domestic product ceiling did not exceed $6,500 in 1998 according to the Data Management Service of the United Nations Conference on Trade and Development. This ceiling is raised to $10,000 in the case of small island developing States or if the Party provides an officer to serve as a member of the Bureau. Parties which are not least developed countries or small island developing States and which would normally be eligible for financial support to participate in the meetings of the Conference of the Parties and its subsidiary bodies, but which have not paid their contributions for the current year and the preceding year, will not be considered for funding from the Trust Fund for Participation to participate in the seventeenth sessions of the subsidiary bodies and the eighth session of the COP.

15. So far in 2002, 120 participants have been provided with financial assistance at a total cost of $487,619. At least one representative from each eligible Party was offered financial support to attend the subsidiary body sessions in June 2002.

Table 5. Status of the Trust Fund for Participation in the UNFCCC Process, as at 30 June 2002
(United States dollars)

Income	
Brought forward from 2000–2001	630 239
Contributions received in 2002	683 347
Interest and miscellaneous income	11 678
Total income	**1 325 264**
Expenditures	
Travel of Bureau members	15 148
Travel of 120 participants to subsidiary body sessions, Bonn, June 2002	487 619
Total direct expenditures	**502 767**
Programme support costs	65 360
Total expenditures	**568 127**
Balance	**757 137**

C. Trust Fund for Supplementary Activities

16. The secretariat continues to undertake additional fund-raising activities for supplementary activities, especially for workshops and events mandated by the COP. New contributions of approximately $1 million were received during the first six months of 2002, bringing the total amount available under this trust fund to $5.5 million. However, the fact that most of the contributions are earmarked for specific activities and workshops makes it difficult to plan events in response to the requests made by the COP and its subsidiary bodies.

17. During the reporting period, 17 projects were approved for funding at a total cost of $3.1 million. The balance of $2.4 million includes a working capital reserve of 15 per cent of average annual expenditures and funds that have been received, but are awaiting decision, in consultation with the donor Parties, to identify activities for which they should be used. Table 6 (a) provides information on income and estimated expenditures under the Trust Fund for Supplementary Activities.

Table 6 (a). Status of the Trust Fund for Supplementary Activities, as at 30 June 2002
(United States dollars)

Income	
Brought forward from 2000–2001	4 426 171
Contributions received in 2002	998 430
Interest and miscellaneous income	101 435
Total income	**5 526 036**
Commitments	
Approved projects[a]	2 738 491
Programme support costs	356 003
Total commitments	**3 094 494**
Balance	**2 431 542**

[a] See table 6(b) for summaries of approved projects.

18. Table 6 (b) lists the projects and events funded from the Trust Fund for Supplementary Activities in 2002. Most of the projects are related to those activities indicated in the document on supplementary activities (FCCC/SBI/2001/17/Add.2) which was noted by the COP at its seventh session (decision 38/CP.7).

Table 6 (b). Projects and events funded from the Trust Fund for Supplementary Activities in 2002
(United States dollars)

Project	Approved commitment
Knowledge networking. Under this project the secretariat organizes, stores and retrieves data on people, organizations and projects and makes the data available to the Parties and observer organizations on the secretariat's web site. The objective is to enhance participation in the Convention process through effective knowledge networking.	110 831
Communicating the climate change process. This project is established to continue and enhance efforts to disseminate official information; to act as a catalyst to increase awareness of the climate change issues and process; and to further develop the UNFCCC web site.	111 825
Initial implementation and strengthening of the outreach subprogramme. This project started on 1 March 2000 to supplement the limited resources approved under the core budget in 2000–2001 for outreach activities. The project closed in February 2002. The amount committed in 2002 covered the first two months' salary of the programme officer, pending transfer from the project post to a newly established core post.	12 000

Project	Approved commitment
Additional support for the development of the greenhouse gas (GHG) emissions database and software for the GHG inventory reporting and review process. Under this project, the database on GHG and related software will be further developed and enhanced taking into account experience gained by Parties and the secretariat in the course of the two-year trial period since 1999. The approved budget for this project is mainly used to maintain the post of a systems analyst at the P-3 level.	136 841
Development of methodological activities relating to land use, land-use change and forestry (LULUCF) and further development of the GHG emissions databases of inventories from Annex I and non-Annex I Parties. The main objectives of this project are to analyse available LULUCF data as reported in national GHG inventories by Parties, to integrate the results of the *IPCC Report on Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories* and to promote coherence in the work on LULUCF between UNFCCC and other United Nations bodies. Two Professional and one General Service level posts have been established under this project.	442 478
Support for workshops on methodologies for adjustments under Article 5.2 of the Kyoto Protocol. This project responds to the request of the Subsidiary Body on Scientific and Technological Advice (SBSTA) to organize a second workshop on methodologies in order to assess the results of the case studies and to refine the draft technical guidelines. The workshop took place in Athens, Greece, 2–5 April 2002.	53 098
Workshop on the IPCC Third Assessment Report (TAR). The workshop took place in Bonn from 4 to 6 April 2002, and the report of the workshop was submitted to SBSTA 16. Most of the budgeted amount was spent in support of travel and daily subsistence allowance (DSA) for 29 participants.	103 250
Definitions and modalities for including afforestation and reforestation activities under Article 12. The objective of this project is to develop a draft decision on definitions and modalities for including afforestation and reforestation project activities in the first commitment period. To this end, a workshop was held in Ovierto, Italy, from 7 to 9 April 2002; 17 of the participants received financial assistance.	110 718
Meetings of the Least Developed Countries Expert Group (LEG). This project responds to COP 7 decisions relating to least developed country Parties. Its main aim is to support the work of the LEG, with the objective of advising on the preparation and implementation strategy of the national adaptation programmes of action. So far, two meetings of the LEG have been held, one in Arusha, United Republic of Tanzania, from 26 to 28 February 2002, and the second in Bonn, from 18 to 22 June 2002.	293 269
Support for secretariat activities on Article 6 of the Convention. The objective of this project is to respond to the request by the SBSTA to develop cost-effective dissemination of lessons learned, best practices and other information products. The project has enabled the secretariat to initiate actions on Article 6 of the Convention. A workshop organized in Bonn from 2 to 3 June 2002 provided Parties with an opportunity to share their experience and to discuss the prioritization of elements of an SBSTA work programme.	133 317

Project	Approved commitment
Support to Parties to enhance the implementation of Article 4.5 of the Convention. This project aims at producing reports on technology transfer and technology needs assessment as well as developing a work plan for the Expert Group on Technology Transfer for consideration by the SBSTA. Two workshops have been organized: one in Beijing, China, from 18 to 19 April 2002, and the other in Seoul, Republic of Korea, from 22 to 25 April 2002.	164 011
Clean development mechanism (CDM). The aim of this project is to facilitate the prompt start of the CDM in 2002–2003 by complementing resources provided under the core budget, with the expectation that the CDM will become self-financing once an adequate flow of resources from the share of proceeds from certified emission reductions is assured. A P-2 Programme Officer and a G-4 secretarial post are funded under this project.	339 112
International workshop on cleaner or less greenhouse gas-emitting energy. At its fifteenth session, the SBSTA requested the secretariat to organize a workshop on the subject of cleaner or less greenhouse gas-emitting energy. The workshop was held in Whistler, Canada, from 7 to 8 May 2002. Funds were provided for travel and DSA for three experts and 35 participants and for a G-3 post for three months.	158 673
Work programme on technical standards fo. registries and the transaction log. This project is intended to provide a forum for exchanging information between Parties, and with the secretariat, in relation to the development and establishment of national registries, the CDM registry and the transaction log.	25 238
In-depth reviews of third national communications from Annex I Parties. This project had to be established in order to complete the in-depth review of national communications from Annex I Parties and to prepare the compilation and synthesis of national communications. To this end, one post at the P-3 level and one secretarial post were established under the project.	253 473
Workshops of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE) and workshop on the revision of the guidelines for the preparation of national communications from Parties not included in Annex I to the Convention. The aim of this project is to organize interregional workshops of the CGE, and one intersessional workshop on the revision of guidelines for the preparation of national communications in response to decision 31/CP.7. One workshop of the CGE and the workshop on revision of guidelines were held in Bonn on 10–12 April 2002 and 15–17 April 2002, respectively.	257 607
Further multilateral work relating to issues under Article 4.8 and 4.9 of the Convention. This project enabled the secretariat to organize a workshop on modelling activities to assess the adverse effects of climate change and the impact of response measures already implemented on individual developing country Parties.	32 750

D. Trust Fund for the Special Annual Contribution from the Government of Germany (Bonn Fund)

19. As part of its offer to host the secretariat in Bonn, the Government of Germany pledged a special annual contribution (the Bonn Fund) of DM 3.5 million (equivalent to 1,789,522 Euro). Table 7 provides information on income and expenditures under the Bonn Fund as at 30 June 2002.

Table 7. Status of the Bonn Fund, as at 30 June 2002
(United States dollars)

Item	Amount
Income	
Brought forward from 2000–2001	675 496
Contributions[a]	1 622 969
Interest and miscellaneous income	17 442
Total income	**2 315 907**
Expenditures	
Conference support	
Conference facilities	682 447
Staff	143 107
Subtotal: Conference support	**825 554**
Information support	
Computers and networking	159 919
Staff	19 848
Subtotal: Information support	**179 767**
Travel for participation in workshops	**33 747**
Programme support costs	**135 079**
Total expenditures	**1 174 147**
Balance[b]	**1 141 760**

[a] Equivalent to DM 3.5 million.

[b] The balance is made up of three components: (a) 15 per cent working capital reserve, (b) unspent balance refundable to the Government, and (c) commitments to expenditures until the end of 2002.

III. PROGRAMME DELIVERY

20. This section highlights the main outputs achieved by each programme during the reporting period.

A. Executive Direction and Management

21. The outputs of the Executive Direction and Management programme (EDM) have been consistent with those described in the programme budget for the biennium 2002–2003 (see FCCC/SBI/2001/17/Add.1). In this period, there was a change of Executive Secretary. The Executive Secretary and/or the Officer-in-Charge provided ongoing management and coordination of the activities of the secretariat, as well as advice to the Convention bodies and their officers.

22. In external relations, the programme continued to promote coordination with partner organizations, in addition to representing the UNFCCC secretariat in outreach activities. It continued to communicate the views of the Convention bodies and the secretariat, as appropriate, to partner agencies, conferences and other events. As part of institutional outreach to coordinating bodies within the United Nations system, input was provided to the General Assembly, the United Nations Commission on Sustainable Development and the United Nations Environment Programme (UNEP), including to processes dealing with international environmental governance and the preparations for the World Summit on Sustainable Development.

B. Intergovernmental and Conference Affairs

23. The Intergovernmental and Conference Affairs programme (ICA) consists of two subprogrammes: Management and Coordination, and Intergovernmental and Legal Affairs. The Coordinator of ICA also oversees the work of Conference Affairs Services (CAS), one of the secretariat's three support services.

24. As part of its ongoing activities, the Management and Coordination subprogramme carried out the following activities: managing the resources and activities of the ICA programme and CAS; providing support to the Bureau of the COP; planning sessional activities by organizing and chairing regular meetings of the Intergovernmental Planning Committee; liaising with Parties on policies, problems and issues for discussion; and ensuring the adequate and timely provision of conference services for sessions of Convention bodies by coordinating the work of CAS.

25. Specific outputs in the reporting period included: the organization of, and support to, Bureau meetings held in January and June 2002; completion of the COP 7 report; the organization of the sixteenth sessions of the subsidiary bodies, held from 5 to 14 June 2002, including pre-sessional workshops; launch of a project to review the format of UNFCCC documents with a view to enhancing readability and user-friendliness; and liaising with representatives of the Government of India to coordinate arrangements for COP 8, to be held from 23 October to 1 November in New Delhi, including the coordination of three preparatory missions to New Delhi.

26. As part of its ongoing activities, the Intergovernmental and Legal Affairs subprogramme provided legal advice to the secretariat, Parties, and the President and Bureau of the COP on various procedural, institutional and legal aspects.

27. Specific outputs of the subprogramme in the reporting period included: preparation of documents for consideration by the sixteenth sessions of the subsidiary bodies; support to the Bureau meetings held in January 2002 and during the sixteenth sessions of the subsidiary bodies; preparation of a host country agreement to be concluded with the Government of India for COP 8; liaising with representatives of the Government of India on procedural and legal matters; and launch of a project on procedural and

institutional aspects of the effective participation of observers in the Convention process and arrangements connected with the entry into force of the Kyoto Protocol, especially relating to possible arrangements for the first session of the Conference of the Parties acting as the meeting of the Parties to the Kyoto Protocol.

C. Conference Affairs Services

28. Conference Affairs Services (CAS) provided the logistical preparation of, and support to, sessions of Convention bodies and workshops held in Bonn, external relations with Parties and observers, the management of participation in sessions, security coordination, and the editing and processing of all official UNFCCC documents.

29. Specific outputs in the reporting period included: provision of conference services for the sixteenth sessions of the subsidiary bodies and for all workshops held in Bonn (a total of 15 in the period January–June 2002), including the preparation and set-up of meeting venues, security and protocol arrangements, coordination of the financial assistance for participants from eligible Parties, registration and accreditation of participants, and the provision of documents; pre-registration and external relations support to workshops held away from Bonn; negotiation of the host country agreement and logistical preparations for COP 8, including participation in three technical missions to New Delhi.

D. Information Services

30. Information Services (IS) ensured proper use of information technology, knowledge management and communications and provided support to participants at meetings and to the secretariat.

31. Computer services were provided for the workshops held in Bonn, and computer network support services were provided for the secretariat and the sixteenth sessions of the subsidiary bodies, ensuring access to files, documents and information systems. Computer services and connections were maintained in the two secretariat locations. An information technology purchase plan was prepared and a secretariat-wide Information Communication Technology strategy is under development. A staff development training programme for all standard software is in place and is coordinated with the staff training programme.

32. The UNFCCC data portal, providing for the management of data on people, organizations, projects and countries, was maintained and expanded. Information Services provided systems development and support for the design of the information system for the clean development mechanism as well as for accessing the United Nations Integrated Management Information System in Geneva. The library continued to service the secretariat staff and the public by responding to queries, disseminating information on climate change and distributing official documents and public information materials. The library maintained the ADLIB digital library database and managed the official documents on the web site. A collaborative effort with UNEP-GRID Arendal to develop GHG country profiles prototypes was initiated.

33. The secretariat's web site: www.unfccc.int went through an extensive evaluation. It was reorganized to reflect the current structure of the secretariat, and is regularly monitored and updated. Webcast services were provided for the clean development mechanism Executive Board meeting, and for selected statements and presentations at the sixteenth sessions of the subsidiary bodies. Support was provided for press accreditation at those sessions and responses were made to media requests for information on the climate change process.

34. Public information materials were revised and updated. Information Services participated in technical preparatory missions to India in preparation for COP 8, and preparations were made for participation in the joint exhibit by the "Rio conventions" (the Convention on Biological Diversity (CBD), the United Nations Convention to Combat Desertification (UNCCD) and UNFCCC) at the World Summit on Sustainable Development.

E. Administrative Services

35. The Administrative Services programme (AS) consists of four units: Human Resources Management Unit, Budget Unit, Finance Unit, and Procurement and General Services Unit. The main responsibility of this programme is to support the Convention secretariat in the management of its financial resources, in personnel services, and in procurement and travel services, and to liaise with the United Nations on administrative matters.

36. During the reporting period, the programme continued the gradual implementation of the various modules of the Integrated Management Information System. Release IV, which processes payroll, was implemented effective June 2002, following earlier implementation of releases I and II on human resources management. Currently, preparations and groundwork are being undertaken for the implementation of release III, which includes budget management, accounts, procurement and travel.

37. In the area of staff development, the programme coordinated a wide range of training activities to meet the diverse needs of the organization and to ensure a high level of performance. In addition to the standard training in the United Nations languages and computer skills, the secretariat organized training on supervisory skills, general services development, stress management and presentation skills.

38. The programme continued its discussions with the Host Government with regard to the establishment of a United Nations campus to accommodate all United Nations organizations located in Bonn. As an interim solution to accommodate staff newly recruited in accordance with the 2002–2003 programme budget, additional office space was negotiated with the Government in the Otto Benecke Stiftung building, where part of the secretariat is already located. Regular meetings were held with representatives of the Host Government to ensure that staff members' rights and privileges in accordance with the Headquarters Agreement are fully implemented.

F. Methods, Inventories and Science

39. The Methods, Inventories and Science programme (MIS) consists of three subprogrammes: Coordination and Management, Methods and Inventories. The programme coordinates the work of the Subsidiary Body for Scientific and Technological Advice (SBSTA). During the reporting period, the programme concentrated on facilitating consideration of the IPCC Third Assessment Report by the SBSTA; on the development of guidelines for reporting and reviewing GHG inventories of Annex I Parties; on the development of definitions and modalities for including afforestation and reforestation activities under Article 12 of the Kyoto Protocol and in other activities related to land use, land-use change and forestry; on the completion of the work on guidelines under Articles 5, 7 and 8 of the Kyoto Protocol; on the consideration of the relationship between efforts to protect the stratospheric ozone layer and efforts to safeguard the global climate system; on issues relating to hydrofluorocarbons and perfluorocarbons; and on cooperation with relevant international organizations.

40. The programme worked on the implementation of decision 6/CP.5 on the technical review of GHG inventories from Annex I Parties and on the assessment of the experience with the implementation of decision 3/CP.5 on reporting of these inventories, in particular the assessment of the experience gained during the trial period established to test and refine these guidelines. The programme continued its work on collecting and disseminating information on the methods and tools to assess climate change impacts and adaptation. The programme coordinated its activities with relevant international organizations, such as the IPCC, the secretariat of the Global Climate Observing System, the Food and Agriculture Organization of the United Nations, the Convention on Biological Diversity and the United Nations Convention to Combat Desertification.

41. The programme facilitated the work of the Parties through the preparation of documents for the sixteenth session of the SBSTA and review reports of GHG inventories published on the web site of the secretariat. It also organized workshops on the IPCC Third Assessment Report, on definitions and modalities for including afforestation and reforestation activities under Article 12, and on methodologies

for adjustments under Article 5, paragraph 2, of the Kyoto Protocol. The programme continued the development of the new database on GHG emissions and initiated the further improvement of this database and the development of other software tools to be used by Annex I Parties for reporting GHG information in accordance with the UNFCCC reporting guidelines.

G. Sustainable Development

42. The Sustainable Development (SD) programme consists of two subprogrammes: Coordination and Management, and Technology. During the reporting period, the programme provided support to the subsidiary bodies on matters related to technology transfer, adaptation to the adverse effects of climate change and support for least developed countries, and on activities under Article 6 (education, training and public awareness) of the Convention. Fund-raising activities were undertaken to continue to support work on adaptation and least developed countries, as well as new activities related to Article 6 of the Convention.

43. The Adaptation Strategies Unit organized two meetings of the Least Developed Countries Expert Group, which is entrusted with supporting the preparation, by least developed countries Parties, of national adaptation programmes of action. Other activities included intersessional events on adaptation-related issues, such as a workshop on modelling activities held in coordination with the Implementation programme. Links were made with UNEP, the United Nations Development Programme, the United Nations Institute for Training and Research, UNCCD, CBD, the Global Environment Facility (GEF) and the World Bank, in order to ensure consistent and synergistic implementation of COP mandates, as well as with private-sector entities (including insurance and reinsurance companies) in preparation for holding two workshops on insurance, pursuant to decision 5/CP.7.

44. The Technology subprogramme continued to support Parties in assessing their needs for environmentally sound technology and capacity-building, and integrating development and transfer of climate-friendly technology in their sustainable development priorities and programmes. The subprogramme further supported the needs of Parties to access information on environmentally sound technologies. The technology information system and the inventory of technology cooperation projects based on information submitted in national communications were enhanced and updated.

45. The Technology subprogramme also provided support for the implementation of the framework for meaningful and effective actions to enhance the implementation of Article 4.5 of the Convention, and conducted an expert workshop on technology information to discuss options for establishing a technology information clearing house and an expert meeting on technology needs assessments to identify and assess methodologies used to undertake technology needs assessments. It also provided support to the newly established Expert Group on Technology Transfer, including by organizing the preparatory meeting and the first meeting of the group.

46. In relation to Article 6 activities, a workshop was organized to develop a possible SBSTA work programme. Efforts were made to seek the cooperation of other organizations.

H. Cooperative Mechanisms

47. The Cooperative Mechanisms programme (COOP) supported the work of Parties in the implementation of decisions 5/CP.1 and 8/CP.7 on activities implemented jointly (AIJ) under the pilot phase, and of decisions 15–19/CP.7 related to mechanisms under the Kyoto Protocol as contained in the Marrakesh Accords. COOP facilitated the work of Parties on AIJ under the pilot phase by organizing

synthesis report to be forwarded to the subsidiary bodies at their seventeenth sessions and the COP at its eighth session.

48. Implementation of decisions 15–19/CP.7 related to mechanisms under the Kyoto Protocol and the agreement by COP 7 to facilitate a prompt start of the CDM pursuant to Article 12 of the Kyoto Protocol, was supported as follows:

(a) The programme serviced the Executive Board of the CDM by assisting it, both substantively and logistically, in undertaking the work programme specified in decision 17/CP.7. This included support to the Board in the preparation and convening of its meetings, and assistance in the establishment and the servicing of three panels;

(b) CDM-related activities were supported by organizing each of the meetings of the Executive Board and of the panel; drafting rules of procedure for the Executive Board and terms of reference of three panels and of assessment teams supporting the CDM accreditation panel; and drafting recommendations for simplified modalities and procedures for small-scale CDM project activities and other relevant documentation. A CDM module was elaborated and added to the UNFCCC web site (www.unfccc.int/cdm). Four listservs and three extranet facilities are maintained.

49. In cooperation with the MIS programme, COOP assisted Parties in the implementation of activities related to definitions and modalities for including afforestation and reforestation activities under Article 12 of the Kyoto Protocol in the first commitment period, as mandated by decision 17/CP.7, paragraph 10 (b).

50. The work on Article 6 (joint implementation) of the Kyoto Protocol was mainly devoted to capacity-building support, as well as to the implementation of decision 18/CP.7 on emissions trading, notably through the establishment of registries and the transaction log. These activities encompassed the preparation and revision of a paper on technical standards for registries, the organization of pre-sessional consultations, and the facilitation of consultations on registries.

51. Following a request by the SBSTA at its fifteenth session, COOP organized a workshop to facilitate the exchange of information and views on cleaner or less greenhouse gas-emitting energy, and supported consultations during SBSTA 16 on this issue.

I. Implementation

52. The Implementation programme (IMP) consists of three subprogrammes: Coordination and Management, Annex I Implementation, and Non-Annex I Implementation; and one unit, the Capacity-building/GEF Unit, which comes under the Coordination and Management subprogramme. The programme provides overall coordination of work at sessions of the SBI.

53. The Annex I Implementation subprogramme initiated the in-depth reviews of the third national communications of Annex I Parties, pursuant to decision 33/CP.7. Five reviews were completed during this reporting period, and work on the preparation of at least nine other reviews to be conducted by the end of the year was initiated. One report was published and the remaining reports from the reviews already completed were at various stages of preparation. The work on "good practices" in policies and measures continued to be guided by decision 13/CP.7 and the relevant conclusions of the subsidiary bodies. This included preparation of the relevant documents for SBSTA 16 and SBSTA 17 and the ongoing work on compilation of information on policies and measures from the third national communications of Annex I Parties. The subprogramme also collaborated with the MIS programme on

provided to the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE), including coordination and organization of one interregional workshop and one meeting of the CGE. Additional support was provided to non-Annex I Parties in identifying and addressing their technical needs and concerns by compiling and synthesizing technical information contained in their national communications. The subprogramme assisted in the review of the GEF enabling activity projects aimed at the preparation of initial and second national communications as well as the enabling activities phase II. It supported the negotiations relating to the revision of the guidelines for the preparation of national communications.

55. In collaboration with the Sustainable Development programme, work was conducted on the implementation of decision 5/CP.7 on response measures. A workshop was conducted on modelling activities to assess the adverse effects of climate change and the impact of response measures already implemented on individual developing country Parties. The programme also supported and facilitated negotiations on the implementation of Article 4.8 and 4.9 of the Convention, as well as Article 3.14 of the Kyoto Protocol, including the preparation of a report to form the basis of discussions on the implementation of Article 4.8 and 4.9 at COP 8. The programme initiated work in support of negotiations on the implementation of Article 2.3 of the Kyoto Protocol at the sixteenth sessions of the subsidiary bodies.

IV. HUMAN RESOURCES

A. Staff

56. The COP at its seventh session approved the establishment of 25 new Professional (P) and 10 new General Service (GS) posts under the core budget, bringing the total number of approved posts to 69 Professional and 38.5 General Service in 2002. In addition, 58 posts are funded from the Supplementary Fund, the Bonn Fund and the programme support costs (overheads). A comparison of the number of approved posts with the number filled by 30 June 2002 is given in table 8. "Filled" posts in the table refer to posts occupied by staff who have been awarded a fixed-term contract of one year or more, and are appointed against established posts after going through the complete recruitment process including review by the UNFCCC Appointment and Promotion Board.

57. In addition to the posts shown in table 8, 10 Professionals and 14 persons in the General Service category had been hired under temporary assistance contracts as at 30 June.

58. Some of the funds available for posts currently vacant are being used to finance the hiring of consultants or staff under "general temporary assistance", who are recruited to perform specialized functions required for a short period or because of the urgency of services required.

Table 8. Comparison of established posts and filled posts by source of funding, as at 30 June 2002

Level	Core		Supplementary		Bonn Fund		Overhead		Total	
	Approved	Filled	Approved	Filled	Approved	Filled	Approved	Filled	Approved	Filled
ASG	1	1							1	1
D-2	3	3							3	3
D-1	6	4					1	1	7	5
P-5	8	8					1	1	9	9[a]
P-4	17	9	1	0			4	2	22	11
P-3	25	20	2	1	1	0	6	1	34	22[a]
P-2	9	8	2	1	2	1	2	1	15	11
Subtotal	69	53	5	2	3	1	14	6	91	62
GS	38.5	28	3	3	6	5	27	25	74.5	61
TOTAL	**107.5**	**81**	**8**	**5**	**9**	**6**	**41**	**31**	**165.5**	**123**

[a] One post filled by a staff at one level lower pending effective date for promotion.

59. Information on the geographical distribution of the staff appointed at the Professional level and above is provided in table 9 (a) and (b). Efforts are made to ensure the highest standards of efficiency, competence and integrity in the staffing of the secretariat, while paying due regard to the importance of recruiting staff on as wide a geographical basis as possible, in accordance with Article 101.3 of the United Nations Charter, as well as promoting gender balance.

60. The gender distribution among Professional staff is provided in table 9 (c). Of 62 professional staff, 36 are men and 26 are women. Among General Service staff, 47 out of 61 are women.

Table 9 (a). Geographical distribution of appointed staff members at the Professional level and above, as at 30 June 2002

Grade	Africa	Asia and the Pacific	Latin America and the Caribbean	Eastern Europe	Western Europe and others	Total
ASG					1	1
D-2	1				2	3
D-1		1		1	3	5
P-5	2	2	2	1	1	8
P-4	3	2	2	2	3	12
P-3	1	6	5	1	8	21
P-2		4	1		7	12
Total	**7**	**15**	**10**	**5**	**25**	**62**
Percentage of total	**11**	**24**	**16**	**8**	**41**	**100**

Table 9 (b). Geographical distribution of appointed staff members at the Professional level and above, as at 30 June 2002: Annex I and non-Annex I Parties distribution

Grade	Annex I	Non-Annex I
ASG	1	
D-2	2	1
D-1	4	1
P-5	3	5
P-4	5	7
P-3	12	9
P-2	7	5
Total	**34**	**28**
Percentage of total	**55**	**45**

Table 9 (c). Gender distribution by grade of appointed staff members at the Professional level and above, as at 30 June 2002

Grade	Male	Female
ASG		1
D-2	2	1
D-1	3	2
P-5	5	3
P-4	8	4
P-3	11	10
P-2	7	5
Total	**36**	**26**
Percentage of total	**58**	**42**

B. Consultants and individual contractors

61. Between 1 January and 30 June 2002, a total of 55 individual consultants were hired, and provided a combined total of 121.75 months of work at a total cost of $496,769 under all sources of funding. Seventy-four per cent of the consultants and individual contractors were nationals of Annex I countries. As indicated in the earlier report on the subject, as at 30 June 2000 (FCCC/SBI/2000/8, para. 50), the nature of these tasks and, in some cases, the linguistic requirements, direct the search for such services to the region in which the secretariat is located, thus skewing the geographical distribution of consultants towards those resident in Annex I Parties.

62. Other consultancies provided other types of expertise not available within the secretariat. Although such expertise is more easily found in Annex I Parties, efforts continue to diversify sources so as to increase the input of experts from developing countries.

63. Table 10 provides information on how such services were distributed among the various programmes.

Table 10. Services of consultants and individual contractors, by programme, 1 January 2002 to 30 June 2002

Programme	Person-months	Cost (US$)
Executive Direction and Management	0	0
Intergovernmental and Conference Affairs	5.5	33 498
Conference Affairs Services	34.5	98 511
Information Services	2.5	34 478
Administrative Services	15.75	56 482
Methods, Inventories and Science	36.25	98 813
Sustainable Development	5	17 170
Cooperative Mechanisms	0.50	29 036
Implementation	21.75	128 781
Total	**121.75**	**496 769**

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